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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

*In re:*  
Skyline Ridge, LLC, an Arizona limited liability  
company,  
Debtor.

3400 E Finger Rock Circle  
Tucson AZ 85718,  
EIN: 86-xxxx-4126

(Chapter 11)  
Case No.: 4:18-bk-01908-BMW

MOTION TO APPROVE  
SALE OF REAL PROPERTY

(10085 N Alder Spring Drive, Tucson, AZ)  
Pima County Tax Parcel # 220-12-0280)

Skyline Ridge, LLC, the above-captioned Debtor (hereinafter, "**Debtor**"), by and through counsel undersigned, hereby moves for an Order of this Court approving the sale of a vacant residential lot located in Tucson, Arizona. To support its motion, Debtor asserts the following:

- 1) Debtor is the owner of real property located at 10085 N Alder Spring Drive, Tucson, AZ, Pima County Tax Parcel #s 220-12-0280; the legal description of which is as follows:

Lot 12, La Mirada at La Reserve.

(hereinafter referred to as the "**Real Property**").

- 2) Debtors executed an Exclusive Right-to-Sell Listing Agreement (the "**Listing Agreement**") with a licensed real estate agent, Sue Hill and Long Realty, as licensed real estate broker (hereinafter collectively referred to as "**The Realtor**"). On June 14, 2018, the Debtor moved for appointment of the Realtor (dkt# 77) and an order has

1 already been entered appointing those parties as the realtor on this parcel of real  
2 property. The Listing Agreement is attached to the motion on file as dkt entry #77.

3 3) The "Vacant Land/Lot Purchase Contract" for the Real Property is attached to this  
4 Application as Exhibit "1" and incorporated herein by this reference (the "**Purchase**  
5 **Contract**").

6 4) The Purchase Contract is for \$116,000.00. On information and belief, counsel  
7 undersigned understands that Escrow is being opened today at Pioneer Title but the  
8 Debtor has not yet received a preliminary title report; a copy of the preliminary title  
9 commitment from Pioneer Title will be filed as Exhibit "2" hereto, as soon as it is  
10 available.

11 5) The Listing Agreement executed by the Debtor called for the Realtor to be paid six  
12 percent (6.0%) of the sale price as commission on the sale of The Real Property.  
13 Debtors assert that a six percent (6.0%) commission is reasonable under the  
14 circumstances of this case and the subject property<sup>1</sup>. The Realtor has performed all  
15 duties expected of The Realtor to date, and will have earned the commission when this  
16 sale closes. On such basis, Debtors request that the Order approving this sale also  
17 provide for the Realtor to be paid six percent (6.0%) of the sale price, or approximately  
18 \$6,960.00, from the sale proceeds. The Realtor may cause such commission to be split  
19 between the Realtor and the buyers' agent, as is consistent with their own contractual  
20 obligations.

21 6) This property is subject to only one note and deed of trust held by Northern Trust Bank  
22 ("**NTB**"). The sale price is slightly above the parameters of the release price that the  
23 Debtor had requested that NTB agree to for this property, upon which Debtor never

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24 <sup>1</sup> The Listing Agreement provides that if the Realtor also represented the  
25 prospective buyer, the commission would only be 5.0%, but that situation does  
not apply here.

1 obtained a response from NTB. Debtor believes that NTB will consent to this sale.

2 7) The prospective purchaser that has signed the Purchase Contract for the sale of the Real  
3 Property is not an Insider of the Debtor. Rather, the prospective purchaser only came  
4 to the transaction as the result of The Realtor's listing of the Real Property on the  
5 Multiple Listing Service.

6 8) The Purchase Contract calls for a due diligence period of fifteen days from the "Date of  
7 Acceptance of Contract" by the Seller. Since the Seller is a Debtor-In-Possession, a  
8 clause was added into the contract that recognizes the Debtor's conditional acceptance  
9 of the offer, is necessarily subject to bankruptcy court approval after due notice and a  
10 hearing. Thus, the Purchase Contract provides that Buyer's Due Diligence period begins  
11 on the date that the Court enters an Order approving the Sale of the Real Property. *See*  
12 *page 9 of Exhibit "1", section 8, "Additional Terms and Conditions".*

13 9) Debtor also requests authority from this Court to pay the costs of sale that would  
14 normally be borne by a seller in a transaction like the sale of The Real Property,  
15 including but not limited to title insurance, title company fees, and the like.

16 10) While Debtor and NTB disagree as to whether NTB is sufficiently oversecured, NTB has  
17 filed pleadings that acknowledge that NTB is an oversecured creditor. However, Debtor  
18 asserts that the Court can approve the sale of the Real Property solely because NTB will  
19 benefit entirely from the sale. Stated differently, Debtor asserts that NTB's Equity  
20 Cushion will slightly increase as a result of sale of the Real Property, and it will be  
21 reimbursed for an advance made under the loan (to protect its interest in the collateral)  
22 to bring the real property taxes current.

23 11) Debtor sought to sell the Real Property in the past prepetition and could never obtain an  
24 offer for as much as the present Purchase Contract, and NTB refused to consent to the  
25 sale at \$110,000.

12) On these facts, Debtor asserts that the requirements of 11 U.S.C. § 363(f) for the sale of property free and clear of liens, claims and interests, can readily be satisfied. However, to avoid the additional work that a § 363(f) motion imposes upon the Court, the Debtor and the creditor, and perhaps also all of the creditors in this matter, Debtor has chosen to file this Motion without actually invoking the protections of § 363(f), while awaiting a decision by NTB if it will consent to the sale. If it does not, a modified version of this motion will be filed pursuant to § 363(f)(5).

**WHEREFORE**, Debtor moves for an Order of this Court providing as follows:

**(A)** APPROVING AND AUTHORIZING the Debtor to execute and deliver all contracts, agreements, assignments, conveyances or other documents, including those listed in the Purchase Contract and to take such other action that may be necessary to perform the terms and provisions of that sale contract, and to take such other action that may be necessary for the closing of sale by the Debtor;

**(B)** Pioneer Title is authorized to pay over the sale proceeds in the following order:

- 1) Pay any real property tax debt that is due for the subject property;
- 2) Pay any homeowners association fees that are due to the HOA from Debtor on this Real Property;
- 3) Pay the seller's costs of sale and other costs of closing customarily borne by a seller including, but not limited to, the payment of any real property tax due, or a pro rata portion of any real property tax about to come due, and convey said payment to the Pima County Treasurer; and
- 4) Pay to The Realtor a six percent (6%) commission (approximately \$6,960.00) to be paid at the time of closing;
- 5) Pay the remaining sale proceeds to The Northern Trust Company, *dba* Northern Trust Bank.

1 Respectfully submitted this 9<sup>th</sup> day of July, 2018.  
2 MICHAEL BALDWIN, PLC;

3 By: /s/ Michael Baldwin AzStB#12625  
4 Michael W. Baldwin

5 Copy of the foregoing electronically transmitted this 9th day of July 2018, to the following:

6 Jennifer Giamo, Esq,  
7 Office of the United States Trustee  
8 [Jennifer.A.Giaimo@usdoj.gov](mailto:Jennifer.A.Giaimo@usdoj.gov)

9 All parties who have filed a Notice of Appearance in this case

10 Once a hearing date has been obtained a Notice of Hearing will be filed, and the Notice of Hearing along  
11 with this Pleading will be mailed and or electronically transmitted to all parties on the Master Mailing  
12 List.

13 /s/ Michael Baldwin, PLC  
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